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C O N F I D E N T I A L SECTION 01 OF 02 ASMARA 000258

SIPDIS

DEPARTMENT FOR AF/E, LONDON AND PARIS FOR AFRICA WATCHERS

E.O. 12958: DECL: 05/12/2018
TAGS: [ECON](#) [PGOV](#) [ENER](#) [PINR](#) [ER](#)
SUBJECT: ERITREA'S DIESEL DIET

REF: A. ASMARA 92

[1](#)B. ASMARA 198

Classified By: Ambassador Ronald K. McMullen for Reason 1.4 (d)

[1](#)1. (SBU) SUMMARY. Diesel fuel remains an extremely scarce commodity in Eritrea. UN agencies and the International Committee of the Red Cross (ICRC) have not received their diesel allocations from the Eritrean government since April [1](#)10. Many of the Eritrean government's civilian vehicles are not being used, and diesel fuel for public use remains nearly non-existent. END SUMMARY.

[1](#)2. (SBU) NO DIESEL FOR INTERNATIONAL ORGANIZATIONS

UNDP Representative and senior UN official in Eritrea Macleod Nyirango (protect) informed Emboffs the Government of the State of Eritrea (GSE) has completely cut all UN agencies' diesel fuel allocations. Each UN agency and international organization is assigned a specific commercial gas station for diesel fuel, with each refueling deducted in a ledger from its remaining allocation. On April 10, the GSE informed commercial gas stations to stop providing diesel to nearly all international organizations, including all UN agencies and ICRC, until further notice. After repeated requests for a meeting, Macleod raised the issue with the Head of the Office of the President Yemane Ghebremesekel on April 17. Yemane advised him to "be patient," and that the situation will be resolved. Macleod noted to Conoff that he has been using his official car, his only gasoline-powered vehicle, for all UNDP business.

ICRC Representative Mulan Giovannini (protect) informed Conoff on May 12 that ICRC received only a portion of its allocation on April 10 and will not receive more until further notice. ICRC normally uses approximately 7,000 liters per month. Giovannini anticipates the government will give fuel for special projects of high value to the GSE, such as a repatriation of Ethiopians scheduled for June, but declined to comment on how long the ICRC office will remain open without diesel fuel.

Foreign Embassies continue receiving diesel fuel without interruption. For example, the U.S. Embassy recently topped off its fuel tanks with 8,000 liters, and the European Commission (EC) continues receiving fuel at its designated filling station.

[1](#)3. (SBU) GSE AND PRIVATE SECTOR SHORTAGES

A 2008 IMF report shows Eritrea's diesel fuel purchases fell drastically from 121,828 metric tons in 2003 to 69,700 in 2007, a fact evident to long-time residents in Eritrea. Emboffs received reports that nearly the entire vehicle fleet of some zoba (regional) administrations are immobile from lack of fuel. Macleod Nyirango told Emboffs the Debub administration grounded 39 of its 40 vehicles for lack of fuel. In Asmara, the municipal bus service receives only 40% of its pre-shortage diesel. A private Eritrean bus service owner informed Conoff that his diesel supplies were cut by 90%, reducing his number of passengers per day from 75,000 to 12,000. Diesel for personal vehicles is not available officially, but gasoline remains curiously plentiful.

Egypt Air, which refuels its twice weekly Cairo-Asmara-Cairo flight in Asmara, was informed on May 9 the jet fuel normally purchased for the return flight to Cairo is not available until further notice. Egypt Air's local chief informed Emboffs that flying round trip without refueling allows the airline to fly only 60 passengers each direction, which could impact the profitability of the route.

Electricity availability in Asmara remained stable until May 11 and 12, when Emboffs noticed many hours of electricity outages in several parts of Asmara. Conoff reported his generator ran continuously for 18 hours, and several other Emboffs noted several long outages. Post is monitoring whether this is merely an anomaly or a further indication of the GSE's fuel woes.

14. (C) Comment: The GSE's inability to provide fuel to

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hard-currency paying customers is either economic incompetence or simply another method to control foreign organizations. It is understandable that increased fuel costs and reduced government revenues require the GSE to reduce domestic fuel consumption. Since foreigners pay in hard currency, however, and because the GSE controls the entire distribution chain, one wonders how the GSE's economic czars cannot recognize the profit opportunity offered by selling diesel to foreign organizations at an increased price. Given the GSE's Marxist ideology and its desire to control all aspects of society, it's more likely the government's current diesel policy is some combination of both incompetence and desire for control. End Comment.
MCMULLEN